

## INFORMATION AND INSTRUCTIONS FOR COMPLETING THE MOTOR VEHICLE FUEL BLENDER TAX RETURN

### OVERVIEW:

Tax returns accompanied by the payment must be filed **monthly and must be postmarked by the twenty-fifth of the month following the reporting period.**

If the tax is paid by electronic funds transfer (EFT), the net amount due the state (Line 17) shall be submitted on or before the 10th calendar day of the 2nd month immediately following the reporting period, except May of each year when the tax will be due on the last business day of June. For example, if the tax return is due January 25th, moneys are due on February 10th. **The tax must be paid by electronic funds whenever the amount due is fifty thousand dollars (\$50,000) or more.** Each year, a reporting and EFT payment schedule will be provided by the department.

Round all reported gallons to the nearest whole gallon. Convert liters to gallons at the rate of 3.785 liters per gallon. Negative figures are not allowed on Lines 1 through 9 or on Schedules A and B.

Negative or credit dollar amounts must be enclosed in parentheses.

### REQUIRED FORMS/DOCUMENTS:

- Washington Motor Vehicle Fuel Blender Tax Return (FT-441-757)
- Fuel Tax Multiple Schedule of Receipts (FT-441-846)
- Fuel Tax Multiple Schedule of Disbursements (FT-441-841)
- Exemption Certificate for Sales to the United States Armed Forces and/or National Guard (FT-441-147)
- Support Schedule for Washington Power Pumping and PTO Credit (if applicable) (FT-441-244)
- Schedule of Oxygenated Fuel Distributed (FT-441-856)

### RECORDS YOU WILL NEED:

Records must be kept for five (5) years for all Motor Vehicle Fuel received, sold, distributed or used for own consumption. These include invoices, bills of lading, and other papers as required by the Department.

Use either gross or net (temperature corrected to 60 degrees) gallons consistently throughout your tax return.

When title or possession passes, a distribution has occurred (Example: "book transfer" or "exchange"). Physical movement of fuel is **not** a requirement for a distribution to take place. A transaction that merely settles an exchange balance without a transfer of title or possession is not a distribution.

Information provided on this return may be disclosed to the Internal Revenue Service.

### TAX RETURN INSTRUCTIONS:

**Computer generated forms will be accepted if the format is identical to that of the Department.**

**NOTE:** It is advisable to complete Schedules A and B prior to entering amounts on the tax return as several entries come from these schedules.

- Enter the year and month for which the tax return is being submitted.
- Place an "X" in each box that applies.
  - **No Operations:** If you had no Motor Fuel operations during the reporting period, you must still file a tax return to avoid revocation of your Motor Vehicle Fuel Blender License.
  - **Amended Returns:** To report changes for a previous tax reporting period, an amended tax return must be filed for that specific period. Amended tax returns must be filled out completely, rather than showing only the changed amounts. These changes should not be included in the current tax return.

Note: The procedures for calculating the penalty, interest and the net amount due are different for amended returns. (See instructions)
  - **Late Returns:** Late returns require payment of penalty and interest, if taxes are due.
  - **Name Change:** You must provide your current business name. If you just purchased or incorporated your business, a new application for license must be completed.

- **Address Change:** Please provide both the correct physical and mailing address(es).

- Your **NAME, LICENSE NUMBER** and **ADDRESS** must appear on the tax return. If the tax return is **NOT** pre-printed, type or print the name and license number as shown on your Motor Vehicle Fuel Blender license.

**D. Cancel License:** To cancel your license, please provide an effective date. This date must be the actual date you ceased business operation or the date you wish to surrender your license. A tax return must be submitted through the effective date of cancellation. All fuel taxes must be paid on remaining inventory.

**Line 1.** Enter your physical Motor Fuel inventory in bulk storage (in Washington only) at the beginning of the tax reporting period. This amount must be the same as the ending inventory reported on your previous tax return.

**Line 2.** Enter total fuel received (Total from Schedule A).

**Line 3.** Enter your physical inventory in bulk storage (in Washington only) at the end of the tax reporting period.

**Line 4.** Compute total accountable gallons (Line 1 plus Line 2 minus Line 3).

**Line 5.** Enter tax exempt gallons distributed (Total from Schedule B).

**Line 6.** Enter taxable gallons (Line 4 minus Line 5).

**Line 7.** Enter the Motor Vehicle Fuel gallons claimed for power take-off credit. Complete the PTO and Power Pumping Credit supplemental support schedule and attach to the tax return.

**Line 8.** Enter the amount of fuel on which the tax was paid that was used in blending. (Line D4 from Schedule D)

**line 9.** Enter your Motor Fuel Allowance (Total from Schedule C)

**Line 10.** Enter net taxable or credit gallons (Line 6 minus Line 7 minus Line 8 minus Line 9).

**Line 11.** Compute the Motor Fuel Tax (Line 10 times fuel tax rate).

## PENALTY COMPUTATION

**Line 12.** If taxes are owed on Line 11, and you are filing a late tax return, (i.e., it's postmarked after the due date), you will owe a penalty. To compute the penalty, multiply Line 11 times 2% and enter the result on Line 12.

For an **amended** tax return, compute Line 11 minus any amounts paid on or before the original due date of the return. If the result is zero or less, no additional interest or penalty is due. If the result is greater than zero, multiply this amount by 2%.

**Line 13.** Enter the sum of Line 11 plus Line 12.

## INTEREST COMPUTATION

**Line 14.** If Line 13 is greater than zero, multiply that amount by 1% (compounded interest) by the number of months the tax return is late. A partial month is considered a full month. Interest is due the first day of the month following the payment due date. See schedule provided by the department.

For an **amended** return:

- (a) deduct any amounts paid on or before the original due date of the tax return from Line 11.
- (b) add the amount from Line 12.
- (c) multiply the result by 1% (compounded interest) by the number of months the payment is late.

**Line 15.** Enter the total fuel tax liability (Line 13 plus Line 14).

**Line 16.** If this is an **amended** tax return, enter all payments applicable for this reporting period.

**Line 17.** If the total of Line 15 minus Line 16 is greater than zero, this is the amount owed.

Checks should be made payable in United States funds to the Washington State Treasurer.

All payments of **\$50,000.00** or greater **must** be made in electronic funds. If you are using this method, place an "X" in the EFT box.

**Line 18.** If the total of Line 15 minus Line 16 is less than zero, this is the net refund amount.

If the credit is \$2,000 or more, copies of Washington tax paid invoices supporting Line A1 must accompany the tax return. The Department **MAY** request copies of invoices to support refund claims for less than **\$2,000**. Original invoices must be retained for audit purposes.

PLEASE SIGN, DATE, PROVIDE TITLE AND TELEPHONE NUMBER (including area code) OF PERSON SIGNING. INCLUDE CONTACT NAME AND TELEPHONE NUMBER.

Mail the tax return (with payment, if applicable) to:

**Department of Licensing  
Fuel Tax Section  
PO Box 9048  
Olympia, WA 98507-9048**

For information, call (360) 664-1852.

## INSTRUCTIONS FOR COMPLETING SCHEDULE A

**Line A1.** Enter **ALL** Motor Vehicle Fuel gallons purchased/received on which you have **paid the Washington Motor Fuel Tax**. Transfer Line A1 to Schedule D, Line D2. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**Line A2.** Enter **ALL** Motor Vehicle Fuel gallons purchased/received on which you have **not paid the Washington Motor Vehicle Fuel Tax**. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**Line A3.** Enter all gallons of blend stock received/used. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return. Identify the blend stock and the number of gallons purchased/used in producing Motor Vehicle Fuel.

**Line A4.** Other (explain). Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**NOTE:** Motor Fuel refined, produced, blended or manufactured must be reported on Line A4.

**Transfer the total of fuel received (Lines A1 through A4) to Line 2 on the tax return.**

## INSTRUCTIONS FOR COMPLETING SCHEDULE B

**Line B1.** Enter number of Motor Vehicle Fuel gallons sold without charging the fuel tax to Washington licensed Suppliers. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Line B2.** Enter number of Motor Vehicle Fuel gallons sold to the United States Armed Forces or the National Guard for use exclusively in ships or for export from this state. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return. Exemption Certificate(s) for Sales to the United States Armed Forces and/or National Guard must also be attached.

**Line B3.** Enter number of Motor Vehicle Fuel gallons sold to qualified foreign diplomatic consular missions and their personnel. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Line B4.** Enter number of Motor Vehicle Fuel gallons used for own use or consumption.

**Line B5.** Other (explain). Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Transfer the total of fuel distributed (Lines B1 through B5) to Line 5 on the tax return.**

## INSTRUCTIONS FOR COMPLETING SCHEDULE C

**Line C1.** Enter taxable gallons from Line 6 on front of return.

**Line C2.** Enter tax paid purchases from Schedule A, Line A1.

**Line C3.** Enter total of Line C1 minus Line C2.

**Line C4.** Taxable handling allowance rate.

If you are a licensee, other than an exporter, you will receive thirty one-hundredths of one percent (.0031).

**Line C5.** Enter taxable handling allowance gallons (Line C3 times Line C4).

**Transfer the total handling allowance (Line C5) to Line 9 on tax return.**

## INSTRUCTIONS FOR COMPLETING SCHEDULE D

**Line D1.** Enter your physical inventory of Motor Vehicle Fuel in bulk storage (**in Washington only**) at the beginning of the tax reporting period for which the Motor Vehicle Fuel tax has been paid. This amount must be the same as the ending inventory reported on your previous tax return.

**Line D2.** Enter the number of gallons of Motor Vehicle Fuel purchased/received on which you have paid the Washington Motor Vehicle Fuel Tax. (This should be the same figure as Line A1).

**Line D3.** Enter your physical inventory of Motor Vehicle Fuel in bulk storage (**in Washington only**) at the end of the tax reporting period for which the Motor Vehicle Fuel Tax has been paid.

**Line D4.** Total of Lines D1 plus D2 minus D3. This amount represents the amount of Motor Vehicle Fuel for which the Motor Vehicle Fuel Tax has been paid and distributed during the tax reporting period.

*The Department of Licensing has a policy of providing equal access to its services. If you need special accommodation, please call (360) 902-3600 or TTY (360) 664-8885.*